

Message Text

CONFIDENTIAL

PAGE 01 JAKART 12244 120649Z
ACTION EA-12

INFO OCT-01 EUR-12 NEA-10 ISO-00 AID-05 CIAE-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 INT-05 L-03
/085 W

-----055355 120658Z /20

R 120559Z SEP 77
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 3779
USDOC WASHDC
INFO AMEMBASSY BANGKOK
AMEMBASSY DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY KUALA LUMPUR
AMEMBASSY KUWAIT
AMEMBASSY MOSCOW POUCH
AMCONSUL MEDAN

C O N F I D E N T I A L JAKARTA 12244

E.O. 11652: GDS
TAGS: EMIN, EAID, ID
SUBJECT: POSSIBLE SAUDI AID FOR BINTAN ALUMINA PROJECTS

REF: A) JAKARTA 11854 (NOTAL), B) JAKARTA 7790 (NOTAL)

1. BEGIN CONFIDENTIAL: ACCORDING TO WELL INFORMED SOURCE, GOI HAS REACHED TENTATIVE AGREEMENT WITH SAUDI ARABIAN GOVERNMENT FOR FINANCING OF BINTAN ALUMINA PROJECT (SUMATRA). AS WE UNDERSTAND IT, SAG WILL PROVIDE \$300 MILLION LOAN TO INDONESIANS. THIS WILL COVER LION'S SHARE OF PROJECT COSTS CURRENTLY ESTIMATED AT \$400 MILLION. DISCUSSIONS ON DETAILS OF LOAN AGREEMENT, AND POSSIBLE FINAL SIGNATURES, SHOULD TAKE PLACE DURING PRESIDENT SUHARTO'S VISIT TO SAUDI ARABIA IN OCTOBER.

2. COMMENT: IN EFFECT, SAUDIS NOW REPLACE RUSSIANS AS CHIEF
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FINANCIAL BACKER OF PROJECT. POSSIBLE SAUDI PARTICIPATION WOULD EXPLAIN WHY GOI WENT AHEAD AND ISSUED INTERNATIONAL CONSTRUCTION TENDER EARLIER THIS MONTH (REF A). WITH KUWAIT OIL MINISTER KAZEMI NOW IN TOWN FOR TALKS ABOUT POSSIBLE KUWAITI FINANCING OF BANTAM ISLAND REFINERY, GOI APPEARS TO HAVE SUCCESSFULLY TAPPED ARAB PETRODOLLARS FOR PROJECT FINANCING ON SEVERAL SCHEMES STALLED SINCE BE-

GINNING OF PERTAMINA FINANCIAL CRISIS IN MID-1975. END
COMMENT AND CONFIDENTIAL.

3. UNCLASSIFIED FOR USDOC: WITHOUT MENTIONING ABOVE
DETAILS, COMMERCE MAY WISH TO ADVISE INTERESTED US
FIRMS THAT MIDDLE EAST FINANCING FOR BINTAN PROJECT APPEARS
LIKELY.
RIVES

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TECHNICAL ASSISTANCE, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
Expiration:
Film Number: D770329-0612
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ISecure: 1
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Status: NATIVE
Subject: POSSIBLE SAUDI AID FOR BINTAN ALUMINA PROJECTS
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